

## Tax Credit For Cost Of Operations

Section 48-7-40.6(b) of the Georgia Code provides for a tax credit based on expenditures for cost of operations made by an employer for child care for employee's children. This credit is 75% of the direct operational costs incurred by an employer as a result of providing employer provided or employer sponsored child care less any amounts the employees must repay to the employer. The term employer provided refers to child care offered on the premises of the employer. Employer sponsored refers to a contractual arrangement with a child care facility that is paid for by the employer. Employers whose expenses include expenses for other than just their employees must utilize lines 11 and 12 in Section 3 on Page 2 and complete the calculation on Page 3, per Georgia Regulation 560-7-8-.38(2)(a).

Name of Taxpayer Claiming Credit	Contact Person
Federal Employer Identification Number	Phone Number
Street Address	City, State and Zip Code
Type of Business: ? Sole Proprietor ? S Corporation ? Partnership/LLC ? C Corporation ? Other(Specify) _____	Tax Year
Name of Child Care Provider	FEI Number of Provider
Address of Provider	Location of Facility

### Instructions:

If this credit is from a facility which is jointly owned by more than one employer then each employer should complete a form ITCCC75 showing their proportionate share of participation. Also, in the case of a pass through entity (S-Corp., partnership, LLC, etc.), the credit is passed through to the shareholders, partners, members, etc. based upon their profit/loss percentage.

### Section 1 Annual expenses of operating a child care facility

- |                              |          |
|------------------------------|----------|
| 1. Salaries and wages        | 1. _____ |
| 2. Supplies                  | 2. _____ |
| 3. Utilities                 | 3. _____ |
| 4. Other                     | 4. _____ |
| 5. Total (lines 1 through 4) | 5. _____ |

### Section 2 Expenses for employer sponsored child care

- |   |          |
|---|----------|
| 6. Payments to a licensed child care facility | 6. _____ |
|---|----------|

### Section 3 Summary

- |  |           |
|--|-----------|
| 7. Add lines 5 and 6   | 7. _____  |
| 8. Deduct: Reimbursed expenditures*                                      | 8. _____  |
| 9. Net Applicable to Tax Credit (Line 7 minus Line 8)                    | 9. _____  |
| 10. Multiply line 9 by 75%   | 10. _____ |
| 11. Enter percentage of employees children to total **                   | 11. _____ |
| 12. Multiply line 10 by line 11 **                                       | 12. _____ |
| 13. Enter amounts paid by employees to employer                          | 13. _____ |
| 14. Subtract line 13 from line 12 (or from line 10 if ** does not apply) | 14. _____ |
| 15. Enter carry over (if any) from prior year                            | 15. _____ |
| 16. Add line 14 and line 15 (total available credit)                     | 16. _____ |
| 17. Enter tax liability  | 17. _____ |
| 18. Maximum Possible Credit (50% of line 17)                             | 18. _____ |
| 19. Enter the lesser of line 16 or 18                                    | 19. _____ |

The amount on line 18 is the maximum amount allowable for the current tax year. Enter the amount from line 19 on the Income Tax Return other credit line.

### Section 5 Carry Over Credit

20. Subtract line 19 from line 16, if less than zero enter none or zero. This amount is your carry over credit. Credits claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of operation was incurred.

20. \_\_\_\_\_

\*Deduct reimbursed expenses only if included in the expense amounts from Page 1. This includes amounts for the State-funded Pre-K program or any subsidies received for the costs included on Page 1.

\*\*Calculation for percentage of employee's children to total should be calculated on Page 3. This applies only to employers who must prorate the expenses based on Georgia Regulation 560-7-8-.38(2)(a) (i.e. multiple employer's and day care centers). If line 11 does not apply, continue with line 13.

**NOTE: If you are claiming the 100% credit for the Cost of Qualified Child Care Property use form IT-CCC100.**

Tax Credit for Cost of Operations

Taxpayer Name \_\_\_\_\_

Computation of Employee's Children to Total Enrollment

Tax Year \_\_\_\_\_

**This page is to be used only by those employer's who must prorate the expenses.**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MONTHLY TOTAL	DIVIDE BY 12	MONTHLY AVERAGE
Number of Employee's Children														12	
Total Enrollment *														12	
Divide avg. Employee's Children by avg. Total Enrollment to arrive at percentage:															

Note:

1. Please use the average number of children per month. It is understood that there may be week-to-week fluctuations.
2. For the Monthly Total column, add together the numbers in the Jan through Dec columns.
3. For the Monthly Average column, take the Monthly Total column and divide by 12.
4. In the bottom right-hand box, divide the Monthly Average Employee's Children by the Monthly Average Total Enrollment to arrive at the percentage to enter in this space. This figure will be used to compute the child care tax credit.

\* Total enrollment should include the employee's children.